



Department of Justice

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DUTCH SHIPPING EXECUTIVE AGREES TO PLEAD GUILTY IN INTERNATIONAL PARCEL TANKER SHIPPING INVESTIGATION

WASHINGTON, D.C. – Hendrikus van Westenbrugge, a former co-Managing Director of JO Tankers B.V., based in Spijkenisse, the Netherlands, was charged in Philadelphia today with participating in an international cartel to allocate customers, rig bids and fix prices on parcel tanker affreightment contracts for shipments of specialty liquids to and from the United States and elsewhere, the Justice Department announced.

Van Westenbrugge has agreed to plead guilty and cooperate with the ongoing investigation. In addition, van Westenbrugge, a Dutch citizen, has agreed to serve three months incarceration and pay a fine of \$75,000. The plea agreement and recommended sentence are subject to court approval.

“This case demonstrates our ongoing commitment to prosecute high-ranking executives who participate in international cartels that victimize American businesses,” said R. Hewitt Pate, Assistant Attorney General in charge of the Department’s Antitrust Division.

Parcel tanker shipping is the transportation of bulk chemicals, edible oils, acids and other specialty liquids by compartmentalized deep sea vessels. The temperature and other specifications of the compartments in the vessels can be regulated according to the specific requirements of the type of liquid being transported. A contract of affreightment provides for the transportation of bulk liquids from one port to another and typically covers multiple shipments during a certain period.

According to the charges, van Westenbrugge joined the ongoing parcel tanker shipping conspiracy as early as January 2001 and participated until at least as late as November 2002.

The criminal case charges that van Westenbrugge and his co-conspirators:

- engaged in discussions concerning customers and prices of parcel tanker shipping of products to and from the United States and elsewhere;
- agreed not to compete for one another's customers either by not submitting prices or bids to certain customers, or by submitting intentionally high prices or bids to certain customers; and
- discussed and exchanged prices submitted to certain customers so as to not undercut one another's prices.

As a result, the Department said consumers in the market for international parcel tanker shipping services paid non-competitive and higher prices for parcel tanker shipping.

This case is a continuation of the Justice Department's ongoing criminal investigation into anticompetitive practices in the parcel tanker shipping industry.

On June 24, 2003, Richard B. Wingfield, former Managing Director, Tanker Trading, for Stolt-Nielsen Transportation Group Ltd., was charged in a criminal complaint with participating in the parcel tanker shipping conspiracy. On October 22, 2003, Odfjell Seachem AS; its Chairman, Born Sjaastad; and a Vice President, Erik Nilsen, pleaded guilty to charges of participating in the shipping cartel. Odfjell was sentenced to pay a \$42.5 million fine; Sjaastad was sentenced to serve four months incarceration and pay a \$250,000 fine; and Nilsen was sentenced to serve three months incarceration and pay a \$25,000 fine.

The maximum penalty for an individual convicted of a violation of the Sherman Act is three years in prison and a fine equal to the greatest of \$350,000, twice the pecuniary gain derived from the crime, or twice the pecuniary loss suffered by the victims of the crime.

Today's charge is the result of an investigation being conducted by the Antitrust Division's Philadelphia Field Office and the Federal Bureau of Investigation in Philadelphia. Anyone with further information about anti-competitive conduct in the parcel tanker shipping industry should contact the Philadelphia Field Office at (215) 597-7405.

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